

Conflicts of Interest

Sky Woodruff, Assistant City Attorney
City of Oakley
Dated March 13, 2002
Our File Number: A-01-157

Larissa M. Seto, Asst. City Attorney
City of Pleasanton
Dated March 19, 2002
Our File Number: A-01-217

Randall A. Hays
City of Lodi
Dated March 18, 2002
Our File Number: I-01-252

Frederick G. Soley
City of Vallejo
Dated March 12, 2002
Our File Number: I-01-269

Mark D. Hensley
City of El Segundo
Dated March 26, 2002
Our File Number: A-01-291

Pamela Thompson, City Attorney
City of San Bruno
Dated March 6, 2002
Our File Number: A-02-024

The Act requires disqualification on a decision-by-decision basis; it does not establish a bar to holding office. However, in cases where a decision will have a foreseeable and material financial effect on an official's economic source of income, income includes the official's community property interest in the income of his spouse.

A public official does not have an economic interest in investments of a nonprofit, a source of income to him. Payments received from a private annuity with an individual constitute income.

A public official who has conflicts of interests on redevelopment issues by virtue of her husband's holdings within the redevelopment project area would continue to have conflicts of interests on the redevelopment issues if her husband sold his real property interests and converted his deeds of trust, secured by real property in the redevelopment project area, into unsecured notes. She will have an economic interest in the buyers of the real property for 12 months after the sale, and the obligees on the deeds of trust will remain sources of income to her after the deeds of trust are converted to unsecured notes, and because the notes were secured by real property within the redevelopment project area prior to their conversion to unsecured notes, she has a continuing economic interest in these sources of income connected to the redevelopment project for 12 months after the transactions converting the notes.

The fact that a city attorney rents a mobile home space does not, by itself, create a conflict of interest disqualifying the city attorney from rendering legal advice to the city's Mobile Home Rent Review Board.

A public official may not vote on land use entitlements sought by a developer with contingent interest in real property whose current owner is a business entity that employs the official's spouse. The developer acts as the agent of the landowner in pursuing these land use entitlements, and the landowner/employer is therefore, directly involved in these land use decisions.

Once a redevelopment area has received its designation, a city council member may participate in decisions to adopt certain housing assistance and home repair programs targeted to the redevelopment area, when the council member is a co-owner of rental property located within the redevelopment area. This advice is predicated on council members' clear and unequivocal waiver of any benefits otherwise available under these programs.

Roger A. Brown
Peninsula Health Care District
Dated March 6, 2002
Our File Number: I-02-026

The conflict of interest provisions of the Act do not provide an exception for “procedural” votes. Each governmental decision must be analyzed to see if it is reasonably foreseeable that the decision will have a material financial effect on the official’s economic interests. Procedural votes may be interlinked with decisions that will have a material financial effect on the official.

Tei Yukimoto
City of Fresno
Dated March 12, 2002
Our File Number: I-02-031

A public official may participate in decisions concerning development of a new regional medical center, provided that the decisions have no reasonably foreseeable material impact upon her spouse’s financial interest in or income from a medical malpractice legal practice in which the spouse holds a 4% ownership interest as a partner.

T. Brent Hawkins
City of Brentwood
Dated March 19, 2002
Our File Number: A-02-032

This letter focuses on a discussion of the “public generally” exception in a conflicts analysis of a city official’s participation in decisions about a redevelopment project which may affect a business he owns.

Huston T. Carlyle, Jr.
City of San Bernardino
Dated March 13, 2002
Our File Number: A-02-033

This letter concludes that a San Bernardino city council member may participate in city council decisions affecting the city’s firefighters. The city council member is a co-owner of a printing business which received income from a PAC which, in turn, was funded solely by the firefighters’ union. It is not reasonably foreseeable that decisions affecting the firefighters will have a material financial effect on the PAC.

Hilda Cantù Montoy
City of Fresno
Dated March 26, 2002
Our File Number: A-02-037

This letter analyzes the potential conflict of a mayor with economic interests in the film industry in the context of the city’s decision as to whether to become involved in promoting the city as a location for film production.

Robert J. Lanzone, Town Attorney
Town of Woodside
Dated March 22, 2002
Our File Number: A-02-046

A town council member employed by Stanford University may participate in decisions concerning the development of a private school. Stanford University, as owner of the land adjacent to the project site, will not be materially financially affected by decisions regarding the private school since the access road which runs across the Stanford property is already subject to an agreement in principle with school officials, and access rights were granted without financial remuneration to Stanford University.

Lori J. Barker, Asst. City Attorney
City of Chico
Dated March 8, 2002
Our File Number: A-02-049

In a case where a business entity collects funds as an agent for its employer, the funds held by the business entity for the employer are not a part of the gross revenue of the business entity. The funds are collected by the business entity for the employer and it serves merely as an intermediary for the employer.

Thomas R. Curry, City Attorney
City of Sonoma
Dated March 4, 2002
Our File Number: A-02-051

Kevin G. Ennis, Asst. Special Counsel
City of Palmdale
Dated March 6, 2002
Our File Number: A-02-053

John P. Fraser
El Dorado Irrigation District
Dated March 27, 2002
Our File Number: A-02-054

Shirley J. Hoch
South San Francisco Unified School District
Dated March 26, 2002
Our File Number: A-02-060

George Luna, Councilman
City of Atascadero
Dated March 20, 2002
Our File Number: A-02-064

Yvette Lane
Ceres Unified School District
Dated March 22, 2002
Our File Number: A-02-069

A council member who rents a home on a month-to-month basis, does not have an economic interest that can result in a conflict of interest.

An official who is a real estate professional has a conflict of interest in a redevelopment decision where any source of income will be materially affected. In the case of a buyer who purchased a home more than 500 feet from the boundaries of the redevelopment area, the effect is presumed not to be material and the council member will not have a conflict of interest.

An elected director on the board of a public water supplier whose residence was within a ½ mile of the site of a proposed Indian casino, causing indirect involvement of his property in the decision, was precluded from making, participating in making or influencing a decision as to whether the Indians' rancheria would receive greater supplies of water, thus making it possible for them to build their casino, because specific circumstances existed that made it reasonably foreseeable that the district's decision would have a material financial effect on his property, and the presumption of non-materiality was rebutted.

A school board member has a disqualifying conflict of interest prohibiting her participation in decisions as to whether to accept a gift of funds from the South San Francisco Foundation for Youth, should she before that decision accept a salary in connection with her presently unpaid position as executive director of that foundation. The decision of the foundation board to lease classroom space from the South San Francisco Unified School District is not subject to the Act's conflict-of-interest provisions.

A suit was filed against the City of Atascadero, its school district, CalTrans and unnamed defendants DOES 1-100. The suit is based on alleged actions or failures to act by the defendants. A council member's spouse who is a director of the Atascadero Historical Society, was a named defendant in the underlying administrative claim which was denied by the city council. The council member is advised that he may participate in council decisions concerning the suit if his spouse is named as a defendant, if she is protected against any material financial effect of the suit under an indemnification agreement signed by the Atascadero Historical Society.

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	of income, income includes the official's community property interest in the income of his spouse.
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Joel Cohen California State Library Foundation Dated March 28, 2002 Our File Number: A-02-036	Reimbursement for travel expenses and per diem from a 501(c)(3) nonprofit organization are not reportable. Meals or benefits that are not considered per diem or reimbursements may be determined as income or gifts.